

American

NEWS & VIEWS

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President Obama Signs Travel Promotion Act

New law seeks to promote United States as international travel destination

Washington — A bill signed into law by President Obama March 4 is aimed at encouraging more international visitors to come to the United States.

The Travel Promotion Act of 2009 (TPA) creates a new public-private partnership between the U.S. government and the nation's travel and tourism industry. The new law calls for creation of the Corporation for Travel Promotion, which will oversee the development and implementation of a global marketing and promotion campaign aimed at increasing the number of international visitors to the United States. The corporation will be funded through fees collected from international travelers from Visa Waiver Program countries and matching contributions from the private sector, according to the U.S. Department of Commerce.

Unlike many other nations, the United States never has had a national travel promotion board, although a number of individual states, such as California and Florida, have established such entities to encourage visits by international travelers.

The new federal law aims to reverse the United States' downward-trending share of the global travel market. In 2009, the United States welcomed 2.4 million fewer overseas visitors than in 2000, a decline that has cost the U.S. economy an estimated \$509 billion in total spending and \$32 billion in direct tax receipts, according to the U.S. Travel Association (USTA), a trade group that lobbied for passage of the legislation.

The Commerce Department said it "stands ready to work with the private sector to promote international travel to the United States" and added that the travel and tourism sector is the United States' top services export, valued at \$142 billion and supporting more than 1 million American jobs.

"When international visitors come to the United States they spend money on a wide range of goods and services that support U.S. jobs," said Secretary of Commerce Gary Locke. "Creating a global tourism promotion program to encourage international visitors to vacation in America will help spur economic growth and create more jobs."

Overseas visitors spend an average of \$4,500 per person, per trip in the United States. Oxford Economics, a consulting company, estimates the travel promotion program under the Travel Promotion Act will generate \$4 billion in new visitor spending and 40,000 new jobs annually. According to the Congressional Budget Office,

the program will reduce the federal budget deficit by \$425 million over the next 10 years.

The law directs Secretary Locke to appoint an 11-person board of directors that will be charged with establishing the nonprofit corporation. Board members will be chosen from the private sector and are expected to represent all segments of the travel industry, according to USTA.

The U.S. travel industry is enthusiastic about the new law.

"By signing the Travel Promotion Act, President Obama has acted to support the power of travel to serve as an economic stimulant, job generator and diplomatic tool," said USTA President Roger Dow.

"Today, America extends a heartfelt 'Welcome' to the rest of the world," said James Rasulo, senior executive vice president and chief financial officer of The Walt Disney Company and past national chairman of the U.S. Travel Association. "It is a great example of the innovative solutions government and industry can create when they work together toward a common goal."

As Election Begins, "Iraq Is Ready," United States Says

By Stephen Kaufman
Staff Writer

Washington — Voting in Iraq is under way for voters such as hospital patients, prisoners and security personnel who will be on duty for the main March 7 election. The State Department says so far the process is going well, despite a handful of security incidents that affected three voting centers.

"Iraq is ready, and we think they'll be able to protect their citizens as they go to the polls on Sunday," Assistant Secretary of State for Public Affairs P.J. Crowley said March 5. The U.S. Embassy in Baghdad has reported that Iraq's security forces and election officials seem well prepared "and the voters enthusiastic," Crowley added.

The security incidents that have occurred have "failed to deter the determination" of those Iraqis who were eligible to vote early, he said.

Iraqis are voting for a four-year parliament in the country's second national election since the Baathist regime led by Saddam Hussein was toppled by U.S. and international forces in 2003.

In the run-up to the election, "every community seems to have been fully ... participating in the campaign," Crowley said. "We think that is very encouraging."

The U.S. Senate unanimously passed a bipartisan resolution March 4 recognizing the significance of the election and reconfirming the U.S. commitment to building "a robust, long-term partnership with Iraq that strengthens Iraq's security, stability, economy and democracy." The resolution also commends the Iraqi people for "the courage they have shown; the sacrifices they have endured; and the hard-won gains they have made in fighting terrorism, finding peace, and building democracy."

With all U.S. combat troops on schedule to withdraw from Iraq by the end of August, Senate Foreign Relations Committee Chairman John Kerry (Democrat from Massachusetts) said Iraq is entering "a new phase" in its political life.

"America's involvement in Iraq will change, but our commitment to the people of Iraq will not end. We are sending a strong bipartisan message that America remains deeply invested in Iraq's stability, democracy and well-being," Kerry said.

General David Petraeus, the commander of the U.S. Central Command (CENTCOM), told PBS Television's Charlie Rose March 3 that if all goes well, the election will result in a government that represents and is responsive to all of Iraq's sectarian and ethnic communities.

"You'll have as a result ... the new parliament, the new council of representatives. And then you'll have the next election, in a sense. And that will be the cobbling together of a coalition that will have to be made up of not just Shia, the majority sect, but also Sunni; and not just Arab but also Kurd," Petraeus said.

The communities have learned the lesson of how sectarian violence "tore the fabric of society" in 2006 and 2007 and know they will need to cooperate on a political level to form the next government.

"There's no way you can get the number of votes required to select that next prime minister, president, speaker of the council of representatives, and probably a package deal that includes some key ministers, without getting a cross-ethnic, cross-sectarian coalition of votes," he said.

The new government will be tasked with tackling lingering issues such as how power and oil revenues are to be shared between the communities, but Petraeus praised Iraq's potential for success.

The Iraqi population is "well-educated, is entrepreneurial, will go out and they're go-getters. So the potential is enormous. But it's enormous only if the people continue to work together. As we used to say, it's okay to shout, just don't shoot," he said.

Donors' Conference March 31 to Mobilize Support for Haiti

By Merle David Kellerhals Jr.
Staff Writer

Washington — A donors' conference to mobilize international support for the long-term development and recovery of Haiti will take place at U.N. headquarters in New York March 31.

"The government of Haiti faces enormous challenges following the devastating earthquake of January 12," the State Department said March 4 in announcing the conference. "Meeting these challenges will require a sustained and substantial commitment from the international community, in support of the government and people of Haiti."

"At the donors' conference, Haiti will present its vision of Haiti's future and how international support can assist," the announcement said.

Sponsors for the ministerial-level conference, formally called the International Donors' Conference Towards a New Future for Haiti, include the United States and the United Nations in cooperation with the Haitian government, and also with the support of Brazil, Canada, the European Union, France and Spain.

"Donor countries, international organizations and other partners will have an opportunity to pledge resources, to coordinate support of Haiti's long-term recovery, and to commit to a sustained effort to support Haiti," the department announcement said.

In addition, the Dominican Republic, which is Haiti's nearest neighbor, will host an international conference of high-level technical donors to evaluate the economic consequences of the earthquake. It is scheduled for March 16-17 in Santo Domingo and will serve as the basis for the donors' conference at the United Nations, according to Dominican government officials.

PRELIMINARY STUDY

A preliminary study by the Inter-American Development Bank indicates that it could cost as much as \$14 billion to rebuild Haiti's homes, schools, roads and other structures damaged by the earthquake.

"The earthquake, which hit about 15km (10 miles) southwest of the capital city Port-au-Prince, was followed by several strong aftershocks and has caused significant loss of human life, the displacement of hundreds of thousands" of people and severe damage to the economic infrastructure of the country, the IDB's team of economists said in a preliminary assessment released

February 16 in Washington.

"The study confirms that the Haitian earthquake is likely to be the most destructive natural disaster in modern times, when viewed in relation to the size of Haiti's population and its economy," the development bank said.

A more detailed accounting of the cost of reconstruction — which the development bank, World Bank and the U.N. Development Fund are conducting — will be completed in several months based on a Post Disaster Needs Assessment, the IDB said in releasing its preliminary report.

The Haitian government estimates the current number of dead at approximately 230,000 people. The number of people displaced in the Port-au-Prince area is estimated at 700,000 people, according to the U.S. Agency for International Development (USAID), and the total impact of the earthquake affected 3 million people in a country with a population of slightly less than 9 million people.

The development bank study estimated that reconstruction costs could be as low as \$8.1 billion or as high as \$13.9 billion. "These estimates are useful to put this event into perspective and to inform the international community of the enormity of the challenge that lies ahead in the task of reconstructing Haiti," the IDB report's authors said.

"This sum ... will be beyond the scope of one agency or one bilateral donor, making donor coordination key in any reconstruction effort," the authors added. "The implications of such an estimate are significant. Raising such a figure will require many donors, bilateral, multilateral and private."

Compounding the loss of life is that the magnitude 7.0 earthquake was centered in the Caribbean island's capital city — Haiti's center of commerce, government and communications.

World Bank President Robert Zoellick said in a recent opinion article in Politico that after the first rush of humanitarian assistance to help save lives and provide water, food, shelter, medicine and other basic supplies to the survivors, thoughts must turn to recovery and reconstruction of the Caribbean nation.

It is a challenge, he acknowledged, that will not be an easy one. "After peacekeeping missions and billions of dollars in aid, Haiti remains a country with some of the worst human development indicators in the world," he said. "Yet we know that progress is possible."

"Before the hurricanes in 2008 and again before January's earthquake, Haiti had been moving forward with

successful and peaceful elections, stabilization of chronic insecurity, and increased revenue collection and investment," Zoellick said. "Building on these successes, Haiti's reconstruction and recovery require long-term commitment."

U.S. COMMITMENT

The United States, which began offering humanitarian assistance almost immediately, has already committed \$712.73 million to Haitian relief and reconstruction efforts, according to USAID and Defense Department reports. President Obama also is expected to request special funding for reconstruction of at least \$1 billion from Congress soon, according to published news accounts.

Western Hemisphere Leaders Discuss Economic, Social Opportunities

By Merle David Kellerhals Jr.

Staff Writer

Washington — Government ministers from 14 Western Hemisphere nations gathered in Costa Rica March 4 to promote the conditions that will provide their citizens the economic and social opportunities necessary for regional and national stability.

The San Jose meeting is the third ministerial meeting held since the Pathways to Prosperity in the Americas initiative was created in late 2008 to link nations from Central and North and South America that are committed to advancing democracy and open markets while promoting inclusive growth, prosperity and social justice.

Secretary of State Hillary Rodham Clinton urged the ministers to close the economic gaps that exist for the farmers, craftspeople and small business owners most often excluded from financial services and access to global markets. And she promoted new efforts to reach marginalized populations and women to give them a chance through economic progress.

As the number of young people across the hemisphere rises, numbers of schools to educate them and jobs to provide them opportunities must rise as well, Clinton said.

"The Americas ... are one of the world's most dynamic and diverse regions, with a strong economic base that is evident in the multitude of creative solutions already at work in our countries," she told the ministerial meeting. "I've traveled throughout this hemisphere for 17 years now, and I meet people with smart ideas, a great work ethic and a strong entrepreneurial spirit everywhere. They just need the chance to show what they can do, to

compete in a business environment that is fair and secure.”

Clinton said the United States has had considerable success with the creation of small-business development centers where people get information and advice about starting businesses. While some of the Pathways member nations have adopted similar programs, Clinton said the United States wants to share it with others through exchange visits.

To help women entrepreneurs across the hemisphere, the United States recently hosted a conference for women from the Americas and launched a network to connect women just starting out with experienced women business leaders, Clinton said.

One area that has stymied effective trade among nations in the hemisphere, she said, is customs procedures that need to be modernized. Clinton proposed that Pathways nations agree to reduce logistics delays and costs by 5 percent, based on a similar practice developed by the Asia-Pacific Economic Cooperation forum.

“Efficient and effective customs practices are critical to attracting foreign investment and succeeding in global markets,” she said.

The United States also is committed to supporting the expansion of English language instruction centers and an investment fund to upgrade technology, expand libraries and cultural programs, and build science and innovation centers, Clinton said. In addition, the United States is working to help small and medium-sized businesses to decrease the amount of water, energy and raw materials they use, protect natural resources, cut carbon dioxide emissions and save costs, she said.

The United States is also committed to working with its Pathways partners in modernizing laws that govern lending so that small and medium-sized businesses can use assets other than real estate as collateral for loans and can borrow larger amounts of capital at lower interest rates with longer repayment periods, Clinton said.

Clinton urged Pathways nations to help Haiti rebuild its textile and apparel factories to speed its immediate recovery efforts and stimulate future growth.

Members of the two-year-old Pathways to Prosperity initiative include Canada, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Peru, the United States and Uruguay.

Clinton is nearing the end of a weeklong trip to Latin America, having already visited Uruguay, Argentina,

Chile and Brazil. She concludes her trip March 5 in Guatemala for meetings with Central American leaders and to discuss restoring full relations with Honduras after a presidential election in November 2009 ended a political crisis there.

Indonesia, United States Partner to Advance Free and Fair Trade

Nations working together to achieve APEC's Bogor goals for region

By Andrew Malandrino
Staff Writer

Washington — As the target date to create free and open trade and investment approaches, the United States and Indonesia continue to support a multilateral trading system for all 21 Asia-Pacific Economic Cooperation (APEC) member economies.

Established at Bogor, Indonesia, in 1994, and reaffirmed during the 2009 APEC Economic Leaders' Meeting, the primary goal of the Bogor Declaration is “to support growth and prosperity in the Asia-Pacific region, through free and open trade and investment.” In industrialized economies, the planned completion date is 2010; 2020 is the target for developing economies.

Thus far, APEC members have made progress toward regional economic integration by improving the flow of goods and services and coordinating national and international inspecting and testing standards. Between 2002 and 2006, transaction costs in APEC decreased by 5 percent, and average tariff rates fell from approximately 17 percent in 1989 to 5 percent in 2007.

These steps represent significant progress toward the Bogor goals, but that progress was slowed by the 2008 economic crisis. As the region focuses on recovery and economic growth, meeting the 2010 target is in doubt. In 2009, Singapore hosted more than 120 APEC meetings focused on restoring growth. In February, the APEC Secretariat said progress toward free and open trade (currently occurring in Australia, Canada, Japan, New Zealand, and the United States) is “not a point of conclusion but a means of informing future action.”

In November 2009, the State Department's senior official for APEC, Kurt Tong, underscored the future-looking significance of the Bogor goals, saying they pull “APEC as a group in the same direction towards a higher standard of trade and investment liberalization.”

A KEY REGIONAL PARTNERSHIP

The United States and Indonesia are working together to achieve economic recovery and advance the “three

pillars” of APEC’s Bogor agenda:

- Liberalize trade and investment.
- Facilitate business.
- Increase economic and technical cooperation.

The 2007 expansion of the U.S.-Indonesia trade and investment framework agreement (TIFA) is aiding recovery from the recent economic crisis. Originally signed in 1996, the TIFA represents significant bilateral cooperation and serves as a mechanism for dialogue.

Chaired by Indonesia’s Ministry of Industry and Trade and the Office of the United States Trade Representative, bilateral working groups under the TIFA focus on intellectual property rights, agriculture, services and investment. Those discussions led to Indonesia’s co-hosting with the United States the first Asia-Pacific Regional Dialogue to Promote Trade in Legally Harvested Forest Products in 2009. The TIFA is also the basis for exploratory talks concerning a bilateral investment treaty and an updated investment incentive agreement.

Indonesia’s participation in these bilateral discussions is a step toward achieving the Bogor goals. In addition, the United States and Indonesia are collaborating to fight protectionist policies and, through APEC, are working to keep markets open and free.

During a meeting with Minister of Trade Mari Pangestu in May 2009, U.S. Trade Representative Ron Kirk said, “The United States and Indonesia have a common interest in further expanding and deepening our economic relationship by taking specific steps to resolve outstanding issues as well as through potential new initiatives.”

Steps taken by the two countries in conjunction with APEC include supporting the multilateral trading system, accelerating regional economic integration, strengthening economic and technical cooperation and enhancing human security. Assistant Secretary of State for East Asian and Pacific Affairs Kurt Campbell supported these goals during his March 3 testimony before Congress, calling for “continued integration of the U.S. economy with APEC economies to benefit workers, consumers, and businesses in the region.”

High-level bilateral trade dialogues will continue in May, during the Obama administration’s first Cabinet-level trade mission to the East Asia-Pacific region. Commerce Secretary Gary Locke plans to travel to Jakarta, Indonesia, as well as Shanghai, Beijing and Hong Kong. These talks represent a continuation of the process to build a comprehensive relationship between the United States and Indonesia with regard to increased cooperation on bilateral, regional and global issues.

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